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By:

Britney Crawford

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ISSUED BY THE INTELLIGENCE DIVISION
OFFICE OF CHIEF OF NAVAL OPERATIONS
NAVY DEPARTMENT

INTELLIGENCE REPORT

62268

INDEXED 133
SE 19

XEROXED ORIGINAL-RETAIN

Serial 81-48
(Start new series each year, i. e. 1-43, 2-43)Monograph Index Guide No. _____
(To correspond with SUBJECT given before. See O. 11. 1. Index Guide.
(Make separate report for each main title.)From DIO-11ND at San Diego Date 27 July 1948

(Ship, fleet, unit, district, office, station, or person):

Reference See Below

(Directive, correspondence, previous related report, etc., if applicable)

Source Confidential Informant.Evaluation C-2(As official, personal observation, publication, press, conversation with—
Identify when practicable, etc.)A-1 to EO etc.
AB/EN 3-10; SER. 432416-11-18-2Subject Panama-Palestine Air Line, further information re.

(National reported on) (Main title, as per index guide) (Subtitles) (Make separate report for each title)

BRIEF: (Here enter careful summary of report, containing substance succinctly stated; include important facts, names, places, dates, etc.)

- References: (a) LIND NNI-96 rpt #48-48 dtd 30 March 1948.
(b) LIND NNI-96 rpt #58-48 dtd 28 April 1948.
(c) LIND NNI-96 rpt #82-48 dtd 13 July 1948.
(d) LIND NNI-96 rpt #82-48 dtd 16 July 1948.

BRIEF: This report gives some additional details on the background of the operations of Adolph W. SCHWIMMER, Schwimmer Aircraft Company, Service Airways, and Panama-Palestine Air Line (LAPSA), who are believed to be operating as a service organization in supplying Israel with airplanes and other war material. This report indicates Service Airways is now spending around one million dollars per day; some personnel is in Czechoslovakia where it is believed Messerschmitts are being supplied to the Jewish forces operating in Israel. This report includes a fairly complete list of employees working for the above concerns.

Note: This information is as of 26 July 1948

SOURCE: A Lieutenant Colonel in the U. S. Marine Corps Reserves, who has a long and distinguished career in the armed forces. Since his release from active duty in 1946 he has been an insurance broker (specializing in aviation insurance). He is believed to be reliable and volunteered the below information in the interests of clearing himself from any possible involvement in the operations of a concern that is operating in part, in violation of law.

REPORT: Panama-Palestine Air Line, further information re:

On 3 December 1947, Adolph SCHWIMMER contacted source, and approached him on writing insurance of three Constellation airplanes which A. W. SCHWIMMER and/or Service Airways, Inc. had purchased from the War Assets Administration at Los Angeles and was readying at Lockheed Air Terminal at Burbank, California, for flying service. Source undertook the writing of the insurance as an agent, and subsequently also entered into an understanding with Adolph SCHWIMMER that Source's office would make up the weekly payroll for Service Airways at Los Angeles for a remuneration of twenty dollars (\$20.00) per week.

EX-4

64-DECEMBER 12-875-644

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XEROXED ORIGINAL-RETAIN

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09 Oct Trading Company

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DIO-1110 Serial 93-48

27 July 1948

Subject: Panama-Palestine Air Line, further information re.

Note: This information is as of 26 July 1948

At the inception of source's dealings with SCHIMMER, he was given to understand that the Constellations were to be used for flying displaced persons from Greece to South America, where certain South American countries were said to be looking for agricultural workers. Source states it was not until many months later that he learned this was not the actual intended use of the planes and that SCHIMMER had deliberately started the false rumor; that the planes were to be used for flying personnel and cargo to Europe, in connection with the aid American Jewish persons were giving to the Jews of Palestine.

Note: A letter dated 31 December 1947 from Source to Walker and Company, 510 S. Spring Street, Los Angeles (Insurance Brokers), stated that the home base of Schwimmer Aircraft will be Millville, New Jersey, and that the route to be flown will be from New York to Europe, via Cander, New Pounland; Shannon, Eire; Paris, Geneva, Athens, and Cairo. This same letter indicated that for the first flight the crew would be as follows:

Captain: Samuel LEWIS, 32 Brook Ave., Venice, 48

1st Officer: Leo GARDNER (Age 31).

Flight Engineer: Leo GARDNER, 12929 Moorpark St., North Hollywood, California (Age 33).

Subsequently source learned that A. W. SCHIMMER and/or Service Airways had acquired from the War Assets Administration at Los Angeles nine (9) C-46 airplanes, and one (1) C-46 airplane from private interests at Oakland, California. Source, who is an experienced pilot flew the C-46 airplane from Oakland, California to Burbank, California, for SCHIMMER, as an accommodation. Source also wrote the insurance for these ten (10) C-46 airplanes.

Source states that prior to the April 15th (1948) embargo deadline on the export of aircraft and other military supplies, the Schwimmer Aircraft Company and/or Service Airways at Lockheed Air Terminal, Burbank, California, experienced a greatly increased tempo of activity, and that there was a scramble to work through Lineas Aereas de Panama (LAPSA), as a method of legally getting airplanes out of the United States for use of Service Airways abroad.

Source then undertook the writing of a group insurance policy to cover all of Service Airways personnel in Panama, the United States, Ireland and Italy.

Source states that he experienced great difficulty in learning what he felt he should know about the operations of Service Airways in properly writing their insurance; and that only after insisting that the insurance could not be properly written, to give the protection paid for, unless he knew the bases of operation. He was then advised that major bases had been established in Panama and in Rome, and that there was an auxiliary base at Shannon in Ireland.

On or about June 1st, source learned that the last of the three Constellation airplanes was to depart soon for Millville, New Jersey. Source was soon to go on two weeks active training duty in Washington, D.C., and offered to fly the plane to Millville, New Jersey. Source states that subsequent to this offer, he was congratulated by several persons for his services and sympathy to the "cause". Source states he flew the C-46 from Oakland to Burbank, and the Constellation from Burbank to Millville, simply because it served his personal convenience, and because he felt it helped him hold a profitable insurance arrangement with SCHIMMER.

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UIC-1119 Serial 98-48

27 July 1948

Subject: Panama-Palestine Air Line, further information re.

Note: This information is as of 26 July 1948

On June 26th, Source was invited to go to New York to confer with Service Airways executives concerning the writing of additional insurance for the company. He met and conferred with the following persons in suite 945 (or 954) of the Park Central Hotel:

Adolph SCHILLER
A. A. FARRELL (director of operation of Service Airways)
WILLIAM MOSKOW
Leo GARDNER.

Source states the primary purpose of his going to the New York meeting was to collect \$15,000 in payment of an insurance premium which was overdue. The payment was promised at the meeting, and Source learned the following day that the \$15,000 had been paid at his Burbank, California, office by the wife of Leo GARDNER.

Source learned the following miscellaneous information at the New York meeting:

Leo GARDNER had taken a C-46 to Rome, Italy, and had just returned to New York.

One of the Jewish flyers who was covered by Source's group insurance policy, had been badly shot up in Palestine, and was being returned on a stretcher by Airfrance to New York. (Source has not yet received a claim under the insurance policy, nor learned the person's name. Source believes that Service Airways may not make claim for payment under the insurance policy since the man was admittedly injured in a manner which would not be covered by the insurance policy.)

One of the C-46 airplanes had crashed in Palestine killing one person, and injuring two, and that Service Airways did not intend to report this loss to the insurance company since the claim would probably be disallowed because of the circumstances under which the airplane was used.

It is also believed of interest that Source was informed at the New York meeting that Service Airways was now expending about one million dollars (\$1,000,000) a day in all its operations.

During the general discussions at this meeting the flying ability of the Arabs with their latest British fighter plane was belittled. It was said that one of their boys in a Messerschmitt airplane had shot down three Arab planes.

Source states that this was the second mention of the use of Messerschmitt airplanes by the Jewish forces; that one Captain Louis BARR (formerly of the U. S. Marine Corps), who was one of some thirty (30) persons who was aboard the Constellation Source piloted from Burbank, California to Millville, New Jersey, had mentioned the use of Messerschmitt's by the Jewish flyers in Israel. Mention was also made of two airplanes in Mexico City which belonged to Service Airways. One of the mechanics aboard the plane (name not known) also mentioned that he had worked on the P-47's in Mexico City.

Source learned at the meeting that Adolph SCHILLER had been in Mexico City; however, according to Source SCHILLER may have been in Europe as well as Mexico City recently, before the New York meeting of June 26th.

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DIO-1180 Serial 93-48

27 July 1948

Subject: Panama-Palcatino Air Line, further information re.

Note: This information is as of 26 July 1948.

The persons in attendance at the meeting wanted Source to write insurance for Service Airways on a "world-wide coverage" basis. Source informed them that he could not secure any policy which would give them protection on this basis unless he knew the routes to be flown, the planes to be used, the bases of operation, and the type of cargo to be flown. After general discussions it was decided not to increase the insurance coverage.

According to source, out of total premium payments made by Service Airways of \$80,000, the insurance carriers have paid out \$45,000 for the loss of one C-45 airplane in Mexico City, while the plane was en-route from Los Angeles to Panama, \$15,000 for the loss of life of two men involved in the Mexico City accident; and a few minor claims for small injuries, all totaling less than \$100.

Miscellaneous information relating to subject matter:

A Mrs. Leland A. MILLIS has contacted source several times to make inquiry as to how she can get in touch with her husband who works for Service Airways. She states she has written and telephoned to Service Airways at 250 W. 57th Street, New York several times and is not able to get in touch with them. Mrs. MILLIS states her husband is in Prague, Czechoslovakia, where he is working as a mechanic for Service Airways that she has not heard from him for several months, and has not received any pay from Service Airways; that part of her husband's pay is supposed to be sent to her.

One James TUCK (13362 Bradley Avenue, San Fernando, California) formerly in the employ of Maintenance Corporation, is known by Source to have worked for Service Airways, and to have rounded up much of the personnel (mechanics and pilots) for Service Airways. He is said to be a personal friend of SCHILLER, the two having served together as inspectors for Lockheed Aircraft Company. James TUCK is said by Source to have had differences with Reynolds SALK of Service Airways, and in Adolph SCHILLER's absence, James TUCK was discharged by SALK as a "trouble maker".

Source did not know Adolph SCHILLER before his contact with him in December 1947, in the writing of insurance for Schallenger Aircraft (later Service Airways). Source, also, never previously knew Reynolds SALK. Reynolds SALK is described as being very closemouthed, secretive, and a person who was generally disliked by the Service Airways employees.

According to Source, the great majority of Service Airways personnel are not Jewish, and only one out of perhaps 15 or 20 employees knew that Service Airways was an agency of Hagannah, or that the planes and equipment they were working with were to be used in fighting the war in Israel on the side of the new Jewish state. Service Airways had a total payroll of about 150 persons when they were at their busiest at Lockheed in Terman, Burbank, California.

Several of Service Airways' personnel have returned from Panama. Among them is one Harold WATERS, who stated to Source that he didn't suspect anything "sub-rosa" until he worked for them in Panama. That he now contemplated using Service Airways for the loss of his mechanic's tools while in Panama.

Most of the persons employed by Service Airways for service abroad receive a salary of \$500 per month. Most of these persons, particularly those who are not pilots, are in the employ of Service Airways and/or SCHILLER for the good wages they receive, and not for the "cause".

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DIO-11ND Serial 93-48

27 July 1948

Subject: Panama-Palestine Air Line, further information re.

Note: This information is as of 25 July 1948.

Some of the material that was flown to Panama on the ten C-46 airplanes, according to Source, was the following:

100 parachutes and parachute harnesses
10 spare airplane wheels
50 spare airplane tires
10 spare tail wheel tires
10 spare radios
and various miscellaneous hand tools.

Among the persons most active and "in the know" with Service Airways while they were in Los Angeles are the following:

Adolph SCHILLER
Reynold C. LIA
Herman ~~W. SCHILLER~~
Leo GARDNER
Abe ~~LEVIN~~ (formerly with Babb Aircraft Company,
Grand Central Airport, Glendale, Calif.)
~~FINSMAN~~ (fnu) (phone Bradshaw 23922), Beverly Hills,
California.

Besides the group insurance on Service Airways personnel and the insurance on three Constellation and 10 C-46 airplanes, source insured the following:

Fifteen (15) Series 3350-23A airplane engines, shipped
from San Francisco, California, to Millville, New Jersey
Ten (10) Series 3350-23A airplane engines, shipped
from Los Angeles to Millville, New Jersey.

Source, a Reserve officer in the U. S. Marine Corps, states he is anxious to clear himself of any involvement with A. L. SCHILLER and Service Airways, other than acting as their agent in the writing of their insurance, and in helping them in flying two airplanes for them in the United States, and as indicated above. He suggested and asked that his office records be gone over for possible intelligence information on the operations of Service Airways that his files might contain. A perusal of the files (with the full co-operation of Source) indicated that the following persons are employees of A. L. SCHILLER and/or Service Airways. The names that are crossed out are persons who were in the employ of SCHILLER, but whose insurance has been dropped by instructions from the New York office of Service Airways:

A. L. SCHILLER - EMPLOYEES

<u>NAME</u>	<u>AGE</u>	<u>Except as noted below no ADDRESSES were contained in file</u>
ABERLE, Calvin A.	23	
ADRIAN, James A.	48	1313 N. D. St., Ontario, Calif.
AGHINSKY, Daniel E.	26	
ARLEMAN, Carl O.	22	1635 N. San Fernando, Burbank, Calif.
SALBRECHT, Donald Frances	28	
ARTILLA, Aurie L.	36	14328 Gilmore, Van Nuys, Calif.
ANTIN, Sydney	28	
APPELBAUM, Theodore	29	
AUERBACH, Harold M.	33	
AUGARTIN, Rudolph	26	
AXELSON, Harry	31	

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DIO-1110 Serial 33-48

27 July 1948

Subject: Panama-Palestine Air Line, further information re.

Note: This information is as of 26 July 1948

A. J. COHEN I. COHEN (cont.)

Except as noted below no
ADDRESS were contained in file

N.A.	AGE	
BALTIMAN, William W.	25	
BARKER, Gardner T.	50	385 . 20th, Upland, California
BESS, Jack	25	
BECKVIT, Morris	24	
BELLER, Fred-Martin	-27-	
BERISH, Fred	-29-	
BLOOM, William Houghton	35	734 Griffith Park Dr., Burbank, Calif.
BOLANDER, Neil A.	38	7430 Nestle Ave., Reseda, Calif.
BRIGA, Michael	30	1338 Rodger Young Village, Los Angeles
CALL, Jr., Neal A.	30	8903 Sepulveda Blvd., San Fernando, Calif.
CHARLOCK, Solomon	26	
CHINSKY, Eddie	26	
COHEN, Barnett	25	
COHEN, Eli L.	23	
COHEN, Seymour	29	
COOK, David Clark	31	3444 Larissa Dr., Los Angeles
COOPER, Andrew Marion	26	11565 Friar, N. Hollywood, Calif.
COOPER, Joseph J.	41	720 Bungalow St., Alhambra, Calif.
COOPER, Preston S.	36	17515 Horace St., Granada Hills, Calif.
CORAN, Selwyn	24	
CUSUMAK, Julius	10	
DAHES, Fred G.	29	2438 Commercial St., San Diego, Calif.
DAN, Robert	29	P. O. Box 33, Ontario, California.
DIAMOND, Paul	26	
DICKER, Leonard J.	25	
DRUTE, David	25	
DUNSKI, Paul	26	
EICHEL, Sholomon	24	
ELISKON, Harvey M.	22	
FARRELL, Andrew A.	35	
FILSHAN, Leo	31	
FELDMAN, Irving H.	27	
FIELDING, J. Wesley		
FINE, Robert O.	27	
FINGERMAN, Saul	23	
FINGERHUT, Ben	34	
FLIK, Joseph C.	20	
FIRSTONE, Walter	27	
FRIEDEL, Leon	24	
FRIEDLAND, Seymour	26	
FRENCH, Howard V.	32	
FRIEBURG, Robert	27	5825 Goodman Ave., Van Nuys, Calif.
FRIEDMAN, Shol	23	
FRIEDMAN, Leo	33	129 Moorpark St., Hollywood, Calif. (Address given in another record as 12029 Moorpark, North Hollywood, Calif.)
GAREY, William S.	24	
GILBERT, Peter	22	
GOLDBERG, David	26	
GOLDSTEIN, Coleman	28	
GOLDSTEIN, Jack	27	
GOLDSTEIN, Hyman	33	
GOODMAN, Sol	24	
GORDON, Sherrell L.	19	
GRISKE, Harold	43	
GRINCHEN, Herman Milton		329 . 5th St., Las Vegas, Nevada.
GRIVET, David M.		

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DIO-1110 Serial 93-48

27 July 1948

Subject: Panama-Palestine Air Line, further information re.

Note: This information is as of 26 July 1948

A. E. SCHWARTZ EMPLOYEES (cont.)Except as noted below no
ADDRESSES were contained in file

NAME	AGE	ADDRESS
HARRIS, Jacob Israel	21	
HART, Robert L.		
HILSABECK, Ernest M.	35	6720 Franklin Place, Hollywood 28, Calif.
HOLT, Elmer M.		143 E. Cypress, Burbank, Calif.
HUGHES, Robert E.	31	3520 W. 67th St., Los Angeles, Calif.
ILOWITE, Arnold	24	
KASTNER, Myer M.	24	
KAY, David B.		
KELVE, Norman L.	22	
KENNE, Frank J.	36	7429 Paradale Ave., North Hollywood, Calif.
KLISTER, Wesley C.	28	3556 E. 5th, Los Angeles 33, Calif.
KOY, Benjamin R.	25	
KINGSON, James	27	
KLEIN, Charles W.		
KOSTEFF, Donald L.	29	
KOUPCHAN, Maurice H.	28	
KURT, Raymond	30	
LAMBERT, William D.		
LAPPEL, Lester	23	
LAWRENCE, Lester C.	34	6228 De Longpre, Hollywood, Calif.
LEWIS, Samuel	36	32 Brock Ave., Venice, Calif. (age is given as 31 instead of 36 in another record)
LEWANT, Louis	27	
LICHTEMAN, William	30	
LIEBERMAN, Joseph I.	34	
LINDSEY, Earl L.	37	1936 Pepper St., Burbank, Calif.
LIEBENKOH, William E.	40	13557 Judd St., Pacoima, Calif.
LIVINGSTON, Harold E.	24	
LOPTE, Robert C.	20	
LULRY, Robert L.	31	
MACKAY, Charles	33	528 E. Elk Ave., Glendale, Calif.
MAGUE, Christopher L.	31	
MARBLESTEIN, Philip	27	
MASING, Trygve J.	25	
MAY, Morris	29	
MILLER, John H.	27	
MOONITE, Norman A.	27	
MOORE, Livingston P.	32	
MOORE, Ray P.		
NACHMAN, Harvey B.	25	
NEWMAN, Rudolph J.	22	
NOSIS, Leo S.	26	
NOVICK, William H.	30	
OLSON, Julian C.		
ORDAN, Michael L.	36	218 E. P St., Ontario, Calif.
PAGAN, David	30	
PAPERMASTER, Lucille	31	
PARIS, Marvin L.	26	

Note: Files of DIO-L. indicate Marvin Lylo PARIS (Phonic) was investigated in Aug. 1944 and cleared to handle confidential material in the Photographic Laboratory of the Naval Air Station at Alameda, Calif.

PARKMAN, Martin
PERSE, Jasper L.
PICHNER, Murray
PHILLIPS, Charles L.

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3217 N. Clark Ave., Burbank, Calif.

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DIO-ILND Serial 93-48

27 July 1948

Subject: Panama-Palestine Air Line, further information re.

Note: This information is as of 26 July 1948

EMPLOYEES (cont.)

NAME	AGE	ADDRESS
POGOSK, Floyd -	-34 -	294 - 9th St., Chino, Calif.
POLANSKY, Elliott	30	
POLL, Morris	32	
POWERHOUSE, Samuel	38	
PCHERANTE, William		
FOSTER, William R.		
POTTER, Clarence S.	31	17160 Burbank Blvd., Encino, Calif.
POZZOLI, Alfred P.	27	224 N. Vine, Ontario, Calif.
PUCHER, Robert J.	26	7642 Sepulveda, Van Nuys, Calif.
RABE, Lawrence P.	24	
RAINWATER, Lester L.	35	1242 N. Hoese Place, Burbank, Calif.
RASKIN, Leonard J.	30	
RISAKOFF, Martin A.	32	
ROBERTS, Don S.	30	
ROCKENBAUM, Moses A.	28	
RUBENFELD, Milton	29	
RUSSELL, Milton G.	-29 -	
SALZMAN, Sam	22	
SCHILD, Philip	29	
SCHINDLER, Irvin A.	33	Listed as President of Service Airways
SCHWARTZ, Harry	26	
SCHWARTZ, Isidor	25	Listed as Vice-President of Service Airways
SCHWARTZ, Jack	26	
SCHWARTZ, ...	33	206 Poplar St., Bridgeport, Conn.
OLIK, Ray		
SILWAY, Wayne S.	36	619 N. Fern Ave., Ontario, Calif.
SHAWTON, William -	-25 -	
SIEGEL, Leo - - -	-33 -	612 E. - G St., Ontario, Calif. -
SIXKE, Lester I.	34	
SOLOMON, Phillip	26	
SOLOUBERG, Albert	29	
SOOTIN, Harvey	22	
SONG, Sengour C.	31	
SORENSEN, William	25	250 E. 57th St., New York City
SPANI, Paul A.	31	7828 Arcola Ave., Roscoe J, Calif.
SPEER, Walter H.		107 W. Dryden, Glendale, Calif.
SPURLING, James C.	33	
STERLIS, Ernest		345 N. Brand Blvd., Glendale, Calif.
STINSON, Otto	32	
STEWART, Clay D.	26	
STEWART, Kenneth Raymond	34	434 Florence Ave., Ontario, Calif.
STYRAK, Edward A.	25	
SUSMAN, Joe	27	
SULLIVAN, Roscoe J.	27	5258 Cartwright, North Hollywood, Calif.
SWINSKY, Charles A.	32	16037 Cantlay St., Van Nuys, Calif.
TARDIFF, Stanley T.	47	7437 Troost Ave., North Hollywood, Calif.
TAYLOR, Templeton	39	6338 Valley Dr. O., Calif.
TEENBERG, Nina	24	
TROP, Albert L.		
THOMAS, Leonard E.	22	
VIGIL, - Antonio -		
VILNITCHUK, Barateed		

except as noted below no
ADDRESSES were contained in file

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DIO-1114 Serial 93-48

27 July 1948

Subject: Panama-Palestine Air Line, further information re.

Note: This information is as of 26 July 1948

A. SCHIMMER EMPLOYEES (cont.)

NAME	AGE	Except as noted below no ADDRESSES were contained in file
WATKINS, Harold L.	27	1042-S. Hudson, Los Angeles, Calif.
WEDDLE, Robert C.	30	1004 A. Isabel St., Burbank, Calif.; also, 1867 S.W. Temple St., Salt Lake City, Utah.
WHEELER, James L.		
WIDENMAYER, Robert J.	30	
WILLIS, Leland A.		
WILSON, James L.	33	
WITENOFF, Julius	24	
YADVIN, Arthur	30	
ZAKRA, William F.	46	14628 Victory Blvd., North Hollywood, Calif.
ZESSIN, Simon	30	
ZOLFE, Albert L.	28	
PERLSTEIN, Victor P.	25	

Note: The following persons are also known by Source to be, or to have been employees of A. SCHIMMER and/or Service Airways, but for reasons unknown to source are not covered by the group insurance plans:

~~JONES, Manuel~~
~~LOUIS, Samuel~~
~~H. KAHN, Marvin~~
~~KAPSTEIN, John J.~~
~~ROSEN, C.~~
~~LOWENSTEIN, M. D.~~
~~LIPSON, S.~~

The name of Louis BARK appears in this report, however, his name does not appear in the above list of employees. A letter in the files from the New York office states that the insurance on Louis BARK should be cancelled, since he no longer is an employee of the firm.

It will be noted that the above list of personnel with Service Airways does not include the names of:

~~A. SCHULMAN, and~~
~~AARON SCHARF.~~

The name of A. SCHULMAN, of Rue Du Lousanna (sic) 153, Geneva, Switzerland, appears in LIND HMI-96 report #88-48, dated 16 July 1948, subject: "Panama-Palestine; Lines Aereas de Panama (LAPSA); further information re."

The name of Aaron SCHARF (born 26 September 1922; occupation, pilot; wife Annette D. ROSE (SCHARF)), appears in LIND HMI-96 report #2-46 dated 13 July 1948, subject: "Panama-Palestine Air Line, recent developments", as one of 37 persons who left Burbank, California for New York City, the first week of June 1948, in the employ of Service Airways. It is believed of interest that Aaron SCHARF, appears in the files of DIO-1114 as Chairman of the Santa Monica Chapter of the American Veterans Committee, and Chairman of the Santa Monica Club of the Los Angeles County Communist Party, and appears as one who participated in the picketing activities at the Sears-Roebuck Santa Monica store (probably May 1948), at which time he was noticed wearing portions of a U. S. Army uniform.

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62277 XEROXED ORIGINAL-RETAIN

DIO-11ND Serial 93-48

27 July 1948

Subject: Panama-Palorino Air Line; further information re.

Note: This information is as of 26 July 1948

The following notations and letters appeared in the files which are believed of possible interest:

An undated note indicated that the corporate officers of Service Airways are as follows:

President: Mr. I. R. SCHINDLER
Vice-President: Mr. IRWIN SCHWARTZ
Treasurer: Mrs. EDITH SCHINDLER
Secretary: Mr. I. R. SCHINDLER

letter of possible interest, dated 4 June 1948, from Source to Mr. A. A. FARRELL, 250 W. 57th Street, New York 19, N.Y., is as follows:

"Dear Andy: On 2 June the Continental Casualty Company cancelled the company's policy for \$5,000.00 life benefits and "on the job accidents" and weekly payments. Prior to its expiration I was successful in receiving identical coverage with Lloyds of London.

"The Continental Casualty Company acted quite hastily in the matter due, from information I can gather out here, to the following reasons:

"First, by someone reporting that the activities of Service Airways were shrouded with various and sundry illegal operations such as flying contraband, arms, ammunition, etc. Secondly, this was information transmitted to Chicago to the main office. The FBI was consulted -- they heard rumors.

"They cancelled.

"You have someone in New York to thank for your grapes attitude and making such a report.

Very truly yours, "

Another letter of possible interest, dated 21 June 1948:

"A. A. Farrell,
250 W. 57th St., N.Y. 19, N.Y.

"Dear Mr. Farrell:

"I have received a number of inquiries from families of your employees about a supposed fact that some of the men sent to Rome are leaving for Prague, Czechoslovakia.

"In order that I may answer this question regarding this situation and its effect on them, will you kindly give me what information you can to clarify matters.

"Your immediate attention and reply will be greatly appreciated.

Very truly yours, "

Source has not received an answer to the above letter, as of 26 July 1948.

XEROXED ORIGINAL-RETAIN

CONFIDENTIAL

62278

DIO-11ND Serial 93-48

27 July 1948

Subject: Panama-Palestine Air Line, further information re.

Note: This information is as of 26 July 1948

William F. ZADRA of 14523 Victory Boulevard, North Hollywood, California (phone: State 55233), who appears on the list of employees above, is said by Source to have returned from New York. He is known by Source to be in the Marine Corps Reserve (enlisted). He is said to have been interviewed thoroughly by FBI-New York. According to Source he knows something of Service Airways' operations in Czechoslovakia even though he did not himself go overseas for Service Airways.